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Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

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K mart Thinks Banks, Rethinks Merchandising

K mart to Add Bank Services in 150 More Stores

TROY, Mich. — In a major expansion of its financial services operation, K mart plans to add leased banking centers in 150 stores this year, giving the discounter more than 450 units that offer banking service.

This year's expansion, more than double the growth rate of the past, puts K mart well on the road to reaching the goal set by Bernard M. Fauber, chairman and chief executive officer, to have at least 1,000 stores offering financial services by 1990.

While K mart was expanding it financial services, it was phasing out a test mutual fund program being offered in The Mortgage Place mortgage financial center in four New Jersey K marts. The new tax law made mutual funds a less desirable investment, a K mart spokesman said.

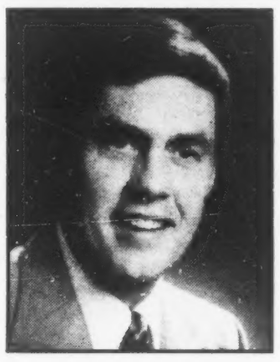
The 150 new banking centers, offering convenience banking services such as savings accounts, will be operated by the San Francisco-based First Nationwide Bank, a subsidiary of the Ford Motor Company. First Nation-

(Continued on page 62)

Reorganization Sharpens Hard Goods Operations

TROY, Mich. — K mart has restructured its six merchandising divisions to sharpen its hard goods operations. The result will be "less cluttered" and less redundant hard goods departments in K mart stores, many of which are undergoing renovations.

To oversee the realigned merchandising divisions, K mart promoted James Moser, 47, vice president of sales and general merchandise, to the new position of vp, merchandise systems coordinator for K mart stores. Moser, who reports to Larry Parkin, executive vp for U.S. K mart stores,



James Moser

also will be responsible for the introduction and utilization of new point of sale data in hard goods.

The new divisions, which represent a major change in how K mart looks at its merchandise mix, are more closely matched to their appropriate buying and merchandising functions.

(Continued on page 62)

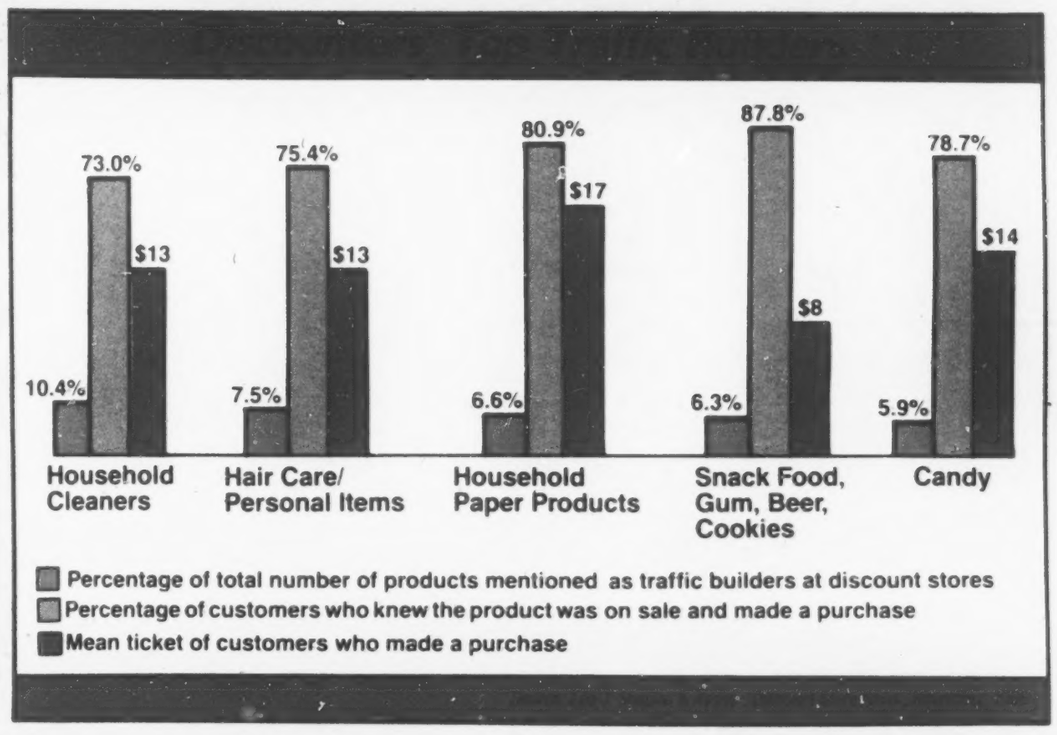
Traffic Builders Survey Pinpoints What Works

Nationwide DSN Report

Traffic building products are the lifeblood of discount stores, which are using promotions to draw customers far more heavily than mass merchants, department stores or specialty outlets.

The top traffic building products at discount stores, found a new survey commissioned by *Discount Store News*, are household cleaners and paper products, personal care items and edibles *(see chart)*. These items produced a sale among at least seven out of 10 shoppers who were attracted to the store by an ad for these products. Through add-on purchases, these shoppers rang up mean tickets ranging from $8 to $17.

In a special report starting on page 17, *DSN* examines how various retailers are using promotions, identifies the top traffic building product categories and brands, and analyzes the efficiency of different promotions.



Retailers Face Higher Use Fees in '88 Budget

WASHINGTON — The fate of the President's record trillion-dollar budget proposal for fiscal year 1988 now rests in the hands of the 100th Congress, and it will be up to Congress to decide whether discounters and other retailers will be subject to new government user fees and additional Social Security payroll tax contributions.

Although the Administration's request for $1.024 trillion contains no new taxes for fiscal '88, it does propose several "revenue changes" estimated to increase Federal receipts by $6.1 billion in 1988.

Included in these revenue changes is a proposal to require discounters with in-house food-service operations and other employers to pay the employer portion of the Social Security Payroll Tax on the total amount of employees tip income. Under current law, employers are not required to pay a portion of Social Security tax for employees' tip income as it is considered a benefit. This proposal would raise an estimated $200 million during fiscal '88.

Another revenue raiser contained in the Administration's budget are user fees for certain government services ranging from U.S. Customs inspections to Federal meat and poultry inspections.

"Those who receive special Federal services—not the

(Continued on page 61)

Entertainment Livens Teleretailing; Format Extends TV Shopping Reach

By ARTHUR MARKOWITZ
Nationwide DSN Report

Teleshopping this week jumped into still another marketing format: talk/entertainment and game shows in which home viewers—and even studio audiences—can purchase the merchandise being featured on the programs.

This new phase in teleshopping, which uses Hollywood hoopla for the first time to sell merchandise, will extend video retailing to the largest possible mass viewing audience, the 87 million-plus households in the nation that have TV and can receive regular UHF and VHF broadcasts.

Up to now, teleshopping has involved simply produced shows and has had a much more limited reach, available mainly on cable TV. About 42 million households are hooked into cable systems, with the dozen current full-time and part-time teleshopping shows reaching an estimated 20 million cable households.

The three talk/entertainment and game shows also mark the entry of Hollywood conglomerates and TV networks into the teleshopping field, with these companies joining forces with current video retailers to produce the new mass marketing programs.

The entertainment companies are turning to TV celebrities to host the new video shopping shows and attract the largest possible viewing audiences. The talk/entertainment and game formats mean these programs can be broadcast at any time by any commercial TV station, particularly local independent stations looking to counter program against network shows.

The show, which debuts Jan. 19 on over 50 stations, is *ValueTelevision*, a talk/entertainment show that is a joint venture of Fox Television Stations, Lorimar-Telepictures, an entertainment conglomerate, and The Hanover Companies, a subsidiary of Horn and Hardart, that already produces a teleshopping show being carried by the Tempo cable network (see *DSN*, Jan. 5, p. 3.).

The pilot program of the *Home Shopping Game* has been shown at two television industry conventions, with the show due to be aired start-

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Traffic Builders Survey

MARKETWATCH

Wal-Mart VP Addresses NMRI

NEW YORK — Wal-Mart executive vice president of merchandising and sales, Al Johnson, will be the opening speaker at the National Mass Retailing Institute's (NMRI) 15th Annual Advertising Conference. Johnson, who will speak on the discounter's "Buy America" program, will join John Ganett, marketing consultant for Stanford Research Institute, and Jim Hollis, former head of advertising for K mart, as guest speakers. The conference is slated for March 11 through 13 at the Sheraton Hotel in Bal Harbour, Fla.

Bar Coding Seminars Scheduled

PITTSBURGH — The Automatic Identification Manufacturers Inc. (AIM) will help present technically advanced programs on bar coding as part of the American Management Association's educational seminars. The bar coding seminars will be held in New York, April 23 to 24; Chicago, May 18 to 19, and Atlanta, June 8 to 9. To attend a seminar, contact AIM, 1326 Freeport Road, Pittsburgh, PA 15238. Phone: (412) 963-8588.

American Wholesale Opens Unit

RICHARDSON, Tex. — American Wholesale Club will open a 105,000-sq.-ft. membership warehouse near the Town East Mall in the Mesquite suburb of Dallas/Fort Worth this spring as its second store. The company projects that the first year's sales for the new club will reach $40 million, the same rate at which volume at its Plano, Tex., unit is running.

Cable Value Holiday Sales Soar

MINNEAPOLIS — Cable Value Network (CVN), the leading cable teleshopping service, averaged over $1 million in sales on some days during the Thanksgiving-Christmas holiday period. CVN president Peter Barton said the holiday sales "met and exceeded the expectations," of the seven-month-old teleshopper whose programming reaches over 10 million households. CVN, which is jointly owned by closeouter C.O.M.B. and a consortium of 23 cable TV systems, expects to hit $600 million in sales this year.

Last of Mr. HOW Units Sold

NASHVILLE — Service Merchandise, the catalog showroom chain based here, has disposed of the remainder of its home center stores by selling two Mr. HOW Warehouses in Cinncinnati and two in Nashville to Central Hardware, a hardware and building material chain based in Bridgeton, Mo., for an undisclosed sum.

Service, which just one year ago operated 27 Mr. HOW Warehouses, previously sold five of the home center outlets in Chicago to Handy Andy Home Improvement Centers, a Gurnee, Ill., chain, and 12 other Mr. HOWs in several markets to Builders Square, K mart's warehouse home center subsidiary. Raymond Zimmerman, Service's chairman and president, said that former Mr. HOW units in Chattanooga, Tenn., Oklahoma City, Okla., two in Jacksonville, Fla., and two in Cinncinnati all have been closed.

Acquisition of Zale Completed

TORONTO — Peoples Jewelers Ltd. and Swarovski International Holdings A.G. announced they have completed their acquisition of Zale Corp. through a limited partnership indirectly owned by them. P.S. Associates, the partnership, completed its cash tender offer for all outstanding shares of Zale's common stock at a price of $50 per share. The companies reported that about 10.4 million shares had been tendered by the Dec. 24 deadline.

Irving Gerstein, president of Peoples, was elected president and ceo of Zale. All the other Zale directors, except Gerstein and two other Peoples representatives on the board, resigned. A new board will be organized consisting of an equal number of Peoples and Swarovski appointees.

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Cohoes Names a President; Restructures Executive Suite

COHOES, N.Y. — Cohoes Specialty Stores, an off-price chain of apparel, shoes and accessories for men and women, has named a president as part of a management restructuring.

M. Ronald Ruskin will assume the newly created position of president and chief operating officer of Cohoes, starting Feb. 1. He will also be a vice president and board member of Cohoes' parent, E. A. Sanford and Company.

Ruskin previously had been president of BATUS Retail Group, which owns Saks Fifth Avenue and Marshall Fields among other stores. His background also includes stints as chairman and ceo of Gimbels and as president of May D & F in Denver.

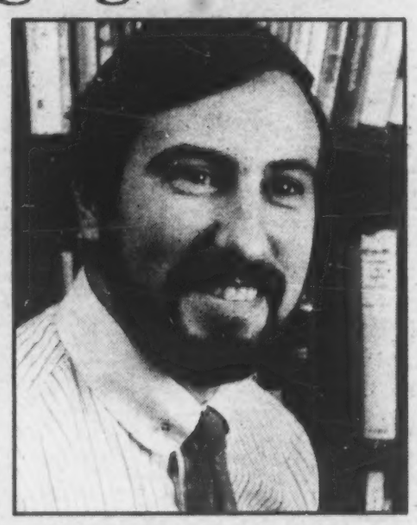
Ruskin's appointment, along with two other management changes, was made to strengthen the organization as it tackles an aggressive expansion plan, chairman Sanford J. Zimmerman said in an announcement. This year, new Cohoes units are set to open in Princeton, N.J., and in two undisclosed cities. The company also is building a 16-store center called Cohoes Commons next to its flagship store here.

The other management changes are the promotion of Jerome Sykes, executive vp, to vice chairman. A former executive vp of Filene's, Sykes will replace the current vice chairman, Ben E. Ames, who retires next month. Ames was Zimmerman's partner in acquiring the Cohoes operation in 1979.

Harry C. Kleinman, vp, finance, at Cohoes, was promoted to senior vp and chief financial officer.

Cohoes operates six stores in Cohoes, N.Y.; Hartford, Conn.; Providence, R.I.; Rochester, N.Y.; Woodbridge, Va., and Atlanta. The retailer buys current goods at the same time as department stores, but low overhead enables the chain to sell at lower retail prices, a spokesman said.

Discount Store News Picks Managing Editor



NEW YORK — *Discount Store News* has named Donald Longo to the position of managing editor.

Longo joined Lebhar-Friedman, parent of *DSN* and other retailing publications, in 1981 as a desk editor on *Nation's Restaurant News*. He was promoted to managing editor of *National Home Center News* a year later.

For the past 18 months, Longo had served *NHCN* as a senior editor, reporting on major chains, retail systems and operations, along with covering several merchandising beats, including hardware and lawn and garden.

Longo, 32, reports to *DSN* executive editor Tony Lisanti.

DSN 25th ANNIVERSARY TRIVIA QUIZ: 1963

In 1963, the second year of DSN, *the shakeout of marginal discount chains continued, as traditional retailers developed discount arms. Looking ahead, Zayre's treasurer Sumner Feldberg predicted the emergence of "small one-to-ten unit chains . . . plus giants of 50, 100 even 200 store units . . . ."*

DSN *invites you to test your recall of industry events of 1963 with the questions that follow. As part of our 25th anniversary,* DSN *is offering a $100 prize to the person who correctly answers the most questions. Please type your answers, including your name, address and telephone number, on standard letterhead, and mail to:*

Quiz Editor—1/19
Discount Store News
425 Park Avenue
New York, N.Y. 10022

Winners will be announced in a future issue.

1. TV-advertised toys dominated discounter toy sales in 1963. In fact, TV toys outsold the second largest category by:
a) 2 to 1;
b) 4 to 1;
c) 7 to 1.

2. The second heaviest selling toy category after TV toys that year was:
a) dolls and accessories;
b) wheel goods;
c) plush toys.

3. Trading stamps made a brief, but active, flurry for many leading discounters. According to estimates, what increase in total business was needed to cover the cost of the stamp programs?
a) 7%;
b) 10%;
c) 15%.

4. Among the fledgling discount arms of traditional retailers was Kresge's K mart, with 25 units. The vice president in charge of that division was:
a) Harry B. Cunningham;
b) C. L. Yohe;
c) Lester Davis.

5. Zayre did $18 million in 1957, its first year. By 1963, with 48 stores, the New England-based discounter had sales of:
a) $80 million;
b) $120 million;
c) $200 million.

6. Productivity standards in 1963 bore no resemblance to those of today. As an example, the average K mart unit back then was planned to do:
a) $2 million;
b) $3.5 million;
c) $4 million.

7. The July 29, 1963 issue of DSN *reported that discounters had snared a huge percentage of total U.S. drug and H B & A business, according to A.C. Nielsen. That amount was:*
a) 4%;
b) 7%;
c) 9%.

8. DSN*'s 1963 Census issue identified the top volume department for the industry, with $504 million in sales, as:*
a) housewares;
b) shoes;
c) toys.

9. In that 1963 census year, the most heavily stored state, with 205 stores, was:
a) New York;
b) Ohio;
c) California.

10. The city with the most discount stores (132) that year, however, was not in that state. The most stored city was:
a) Chicago;
b) Philadelphia;
c) Los Angeles.

11. Leased departments had begun to tail off in 1963. The leased department with the highest incidence was:
a) millinery;
b) shoes;
c) supermarket.

12. The department that got the largest amount of floor space that year (4,000 sq. ft.) was:
a) hardware;
b) toys;
c) housewares.

Traffic Builders Survey

Household cleaners and paper products, personal care items and edibles like food and candy were the biggest traffic building categories for discount department stores, according to *DSN*'s new survey of traffic building products and promotions. Other leading product categories for drawing shoppers into discount stores were toys, home storage, home care and women's shoes and sleepwear.

Shoppers Pick Top Promo Items

Discount Store News' first annual Traffic Builders study was conducted by the Chicago-based research and marketing firm Leo J. Shapiro and Associates. It entailed polling 2,082 shoppers in seven markets, who were to shop in nearly 4,178 stores during a 10-day period last October.

This special report examines:

- Top traffic building product categories and brands and the extent to which different types of retailers depend on promotional items to draw traffic;
- The efficiency of promotions of different retailers and different product categories at attracting new customers;
- How successful different product categories are at generating a purchase and encouraging additional spending;
- Shoppers' responsiveness to promotions.

In addition, *DSN* breaks out data on traffic building in the three sections—Apparel, Home Products and Hard Lines.

This report was written by John Caulfield, a retail industry reporter who is currently senior editor/merchandising for *DSN*'s sister publication, *National Home Center News*.

Discounters Utilize Promos More For Draw Than Other Retailers

Nationwide DSN Report

Discounters are relying far more heavily on promotions to draw customers into their stores than do mass merchants, department stores or specialty outlets.

And it appears as if shoppers are more aware of promotions when they are run by discount stores than when other types of dealers put their merchandise on sale, finds an exclusive study that *Discount Store News* commissioned.

While discount stores can lure in customers with lower-ticket items such as household goods, automotive supplies, candy and toys, they are less able than their retail counterparts, however, to attract consumers' attention when it comes to promoting other merchandise, particularly women's and children's clothing.

In addition, there is a wide disparity among retailers in general and various discounters in particular as to the level of awareness consumers have about their respective promotions. This is an important distinction, because apparently a strong correlation exists between knowledge about promotions and shopping frequency among consumers.

Consequently, discounters have the opportunity to capitalize on their promotional acumen to use a wider selection of higher-end items to increase the average sales per shopper propelled by advertised specials.

(Continued on page 18)

TRAFFIC BUILDERS SURVEY

Discounters Rely More on Promos Than Other Retailers

(Continued from page 17)

These and other findings emerged from the first annual study on traffic building products and promotions commissioned by *DSN* from the Chicago research firm, Leo J. Shapiro & Associates. Nearly 2,100 consumers were interviewed over a 10-day period last October regarding their awareness of different stores' promotions.

The purpose of the survey, as defined by George Rosenbaum, vice president, Leo J. Shapiro & Associates, was to "get consumers to enumerate the stores they visited and find out if they knew of a special before coming." The polling also examined how much consumers spent, how many visits they made to a store in a given period and whether they bought what they came for.

Its conclusions focus on how productive these promotional items were at generating dollars for different types of retailers.

Housewares, Consumables Noted

Consumer responses demonstrate that consumables and household products were the biggest traffic builder categories for discounters *(see table 1)*.

Consumer responses demonstrate that consumables and household products were the biggest traffic builder categories for discounters.

Nearly 13% of all the mentions of promoted products by consumers who were going into a discount store fell into categories of consumables such as candies or beverages like beer.

In addition, about 10% said they knew that household products were being promoted by the discount unit, followed by hair care products (7.5%) and home care products such as light bulbs and leaf bags (4%).

Looked at another way, of the 51 top product categories consumers knew were on sale at all retail outlets, the highest percentage of mentions for 37 of those categories were by discount shoppers. For example, there were a total of 43 mentions by shoppers who knew toys and games were on sale in the store they were about to enter; 38 of those mentions were from consumers going into a discount unit.

But Clothes Bought Elsewhere

This is not to say, though, that discounters' promotions dominated every product group in which consumers were aware of a promotion.

Of the 229 shopper awareness mentions of promotions at Sears & Roebuck, J. C. Penney and Montgomery Ward, the highest number, 30, were for sheets, comforters and bedspreads, compared to a 2% mention level of these products at discount stores.

For department stores, the most-mentioned promoted category was women's blouses and shirts (which ranked 37th among the 51 items mentioned as being on sale at a discount store), while at other retail outlets, such as catalog showrooms and specialty outlets, women's sweaters arose as the item that shoppers were the most aware of being promoted. Women's sweaters accounted for less than 3% of the total mentions by discount store shoppers, whereas it made up close to 16% of the mentions from those shoppers designated in the study as "other" retail stores.

Categories Vary by Store

The knowledge among shoppers about which item is on sale and where it is sold presents some significant findings when broken down by store type.

Looked at strictly by ranking, household cleaners, hair care, home care, women's shoes and snacks and beverages were products whose promotions shoppers were most aware of at all stores.

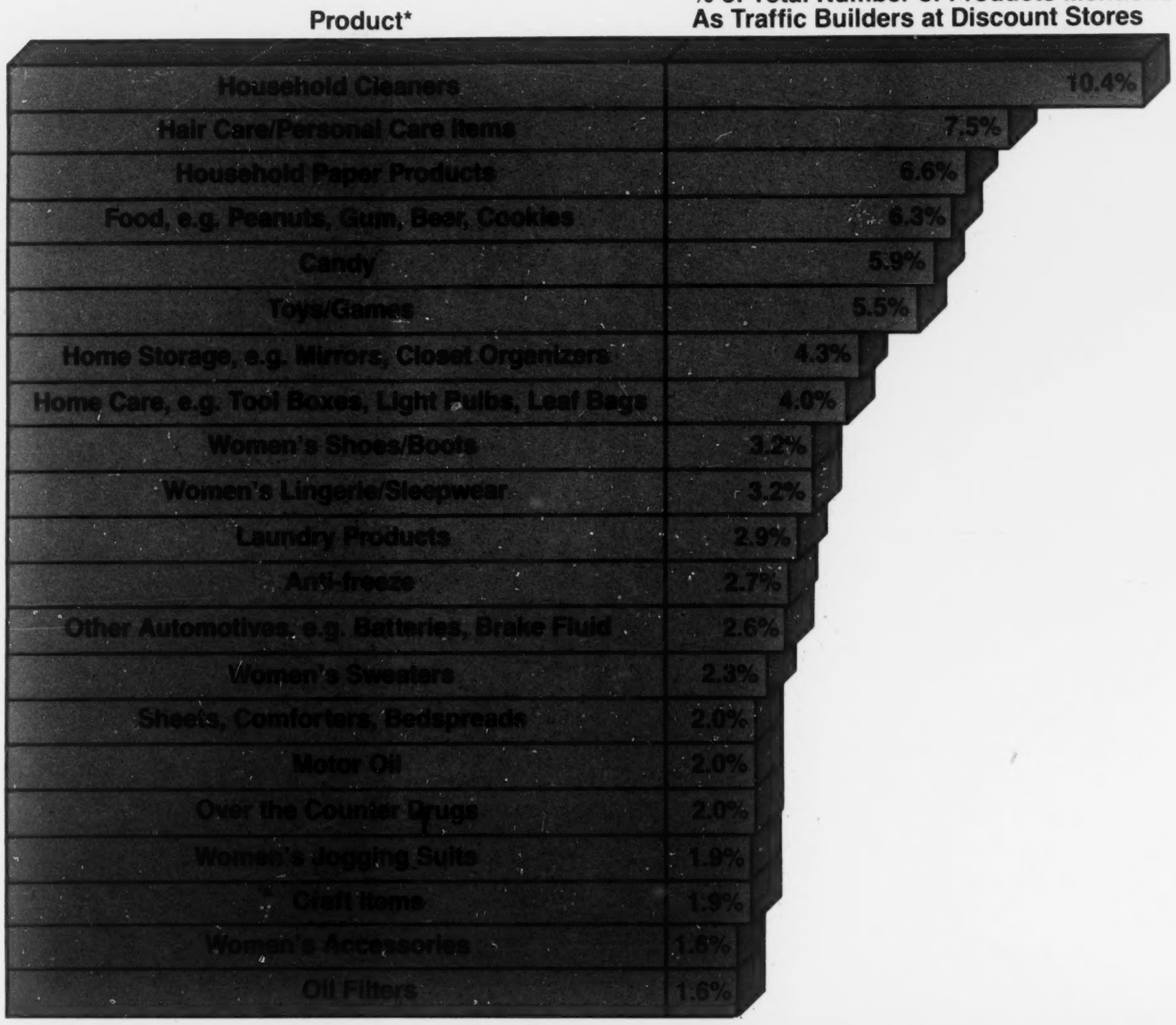
Shopper mentions of promoted products by discount stores, as noted above, does not differ that markedly from the overall responses. But compare these overall product rankings with those for mass merchants, where shoppers mentioned, in order of rank: bed linen, home care, window coverings, bath towels and women's lingerie as products they knew were on sale *(see table 2)*.

For department stores, the leading mentions were for women's blouses, infants' clothing, and cosmetics (which garnered only 42nd place among products mentioned as being promoted in all stores) and women's boots. Eight product categories tied for fifth in the department store ranking *(see table 3)*.

(Continued on page 22)

Table 1
Discounters' Top Traffic Builders

Household goods and edibles are the biggest traffic builders at discount department stores


Product*
% of Total Number of Products Mentioned As Traffic Builders at Discount Stores
Household Cleaners 10.4%
Hair Care/Personal Care Items 7.5%
Household Paper Products 6.6%
Food, e.g. Peanuts, Gum, Beer, Cookies 6.3%
Candy 5.9%
Toys/Games 5.5%
Home Storage, e.g. Mirrors, Closet Organizers 4.3%
Home Care, e.g. Tool Boxes, Light Bulbs, Leaf Bags 4.0%
Women's Shoes/Boots 3.2%
Women's Lingerie/Sleepwear 3.2%
Laundry Products 2.9%
Anti-freeze 2.7%
Other Automotives, e.g. Batteries, Brake Fluid 2.6%
Women's Sweaters 2.3%
Sheets, Comforters, Bedspreads 2.0%
Motor Oil 2.0%
Over the Counter Drugs 2.0%
Women's Jogging Suits 1.9%
Craft Items 1.9%
Women's Accessories 1.6%
Oil Filters 1.6%

*Top 21 of 51 products mentioned

Source: Leo J. Shapiro & Assoc. Discount Store News, November 1986

Table 2
Mass Merchants' Top Traffic Builders

Domestics are the biggest traffic builders for mass merchants

Product	% of Total No. of Products Mentioned as Traffic Builders
Sheets, Comforters, Bedspreads	13.1%
Home Care, e.g., Tool box, Light Bulbs, Leaf Bags	6.6
Window Coverings	5.7
Bath Towels	5.2
Infants & Toddlers' Clothing	4.8
Women's Lingerie/ Sleepwear	4.8
Men's Outdoor Coats/Jackets	4.4
Women's Shoes/ Boots	3.9
Women's Blouses/ Shirts	3.5
Women's Jogging Suits	3.5

Source: Leo J. Shapiro & Assoc. Discount Store News, November 1986

Table 3
Department Stores' Top Traffic Builders

Apparel is the major traffic builder for department stores

Product	% of Total No. of Products Mentioned as Traffic Builders
Women's Blouses/ Shirts	19.5%
Infants & Toddlers' Clothing	9.8
Cosmetics	9.8
Women's Shoes/ Boots	7.3
Hair Care/ Personal Care Items	4.9
Candy	4.9
Women's Sweaters	4.9
Women's Jogging Suits	4.9
Women's Dress Pants/Slacks	4.9
Women's Skirts	4.9
Women's Jeans	4.9
Costume Jewelry	4.9

Source: Leo J. Shapiro & Assoc. Discount Store News, November 1986

Discounters Rely More on Promos Than Other Retailers

Table 4
Discounters' Top Traffic Builder Brands

Household cleaners, automotives and toy brands are top traffic builder names at discount department stores.

Brand*	% of Total No. of Brands Mentioned as Traffic Builders
Comet	8.7%
Prestone	7.9
Fisher Price	5.6
Tylenol	4.8
Bic	4.4
AC Delco	4.4
Lux	4.0
Eveready	3.6
Colgate	2.8
L'eggs	2.8
Vanish	2.8
Realemon	2.8
Arm & Hammer	2.8

* The top 48 brands accounted for 45% of all brands mentioned

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

(Continued from page 18)

Whereas men's outerwear ranked 28th in overall shopper mentions, it rated seventh among all items mentioned as being on sale at mass merchants' stores. Television sets overall ranked 47th, but placed 17th among the items known by consumers to be on sale at mass merchants.

Paint got the 14th highest number of mentions as a product on sale at mass merchants' units—obviously a reflection of Sears' aggressive position in the paint market—compared to an overall ranking of 34th.

One of the original findings in the Traffic Builders study that warrants further research was the quantification of discounters' heavy reliance on promotions, as compared with other types of retailers *(see table 5)*.

But discounters are using promotions to capture additional customers more intensely than any other type of retailer examined. Almost half of the shoppers going into a discount store—48.6%—said they knew a promotion was underway.

Table 6
Retailers' Use of Promotional Advertising

More than 8 out of 10 shoppers knew of a sale item before visiting Zayre, while fewer than 2 out of 10 Wal-Mart customers said they were aware of a sale before visiting that store.

Retailer	Type of Retailer	% Who Knew of a Sale Item Before Visiting Store
Zayre	Discount Dept. Store	82.2%
K mart	Discount Dept. Store	52.0
Venture	Discount Dept. Store	48.0
Montgomery Ward	Mass Merchandiser	43.9
Target	Discount Dept. Store	41.6
Sears	Mass Merchandiser	36.8
Penney	Mass Merchandiser	17.0
Wal-Mart	Discount Dept. Store	15.7

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

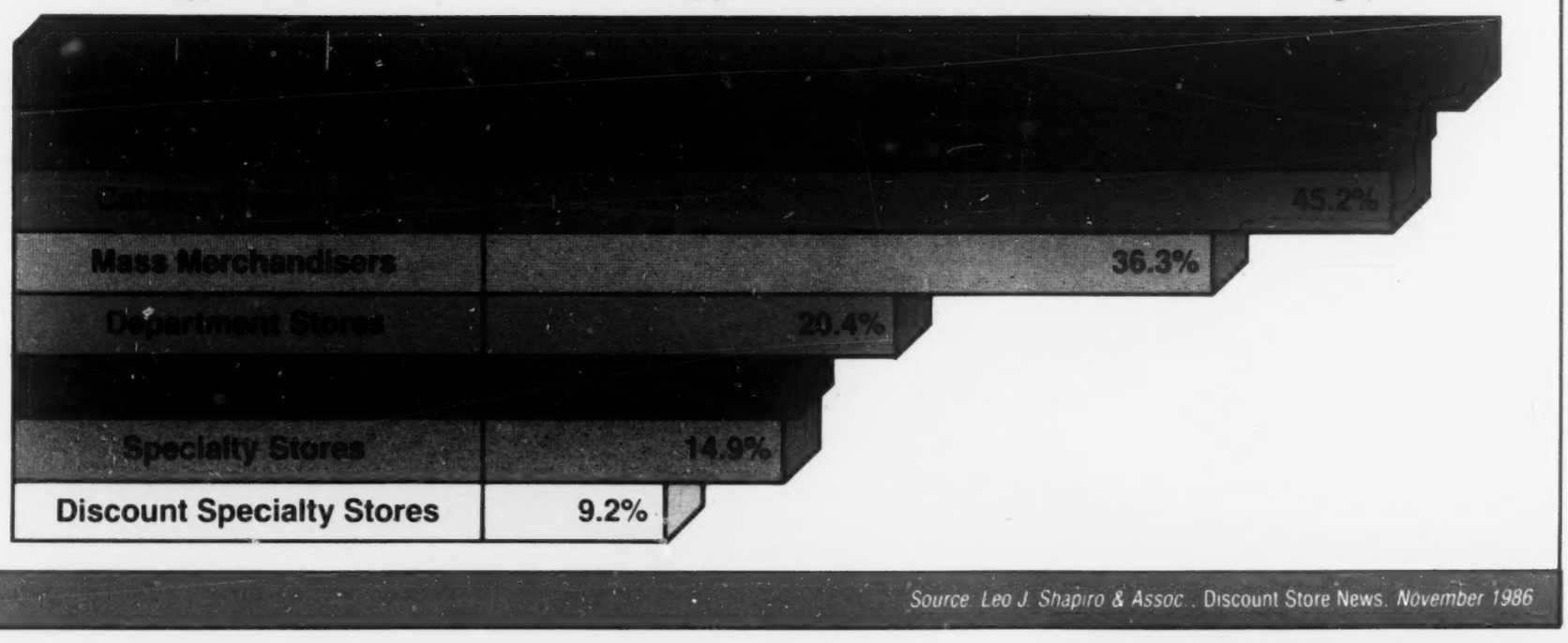
Less than 40% of shoppers, however, were aware of a specific product promotion before they went into a mass merchant's store. But only 20% of the shoppers of department stores said they knew of sale items at these stores, and less than 10% of shoppers of discount speciality stores could say they were aware in advance of a particular product on sale at these stores.

These overall responses are all over the board when broken down by chain *(see table 6)*. Slightly more than 50% of the shoppers going into a K mart knew of products that the store was promoting. But, 80% of shoppers knew about a sale at Zayre before going in.

Discounters are using promotions to capture additional customers more intensely than any other type of retailer examined. Almost half of the shoppers going into a discount store—48.6%—said they knew a promotion was underway.

Table 5
Dependence on Promotional Advertising

Discount department stores are using promotions to attract traffic more intensely than any other type of retailer studied.



Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

The percentages begin to fall off among other discounters. About 50% of Venture's shoppers were aware of advertised bargains, and 40% of Target shoppers said they knew in advance of a promotion at the store.

In contrast, only 16% of shoppers going into a Wal-Mart were aware that the store was holding a promotion.

Top Brands Listed

The study also asked consumers which brands on promotion they were most familiar with and revealed that the top 48 brands mentioned accounted for 45% of all responses *(see table 4)*.

Interviews also showed that promotional brand awareness for discounters ran across a number of category lines.

Comet (household); Prestone (antifreeze); Fisher-Price (toys); Tylenol (drugs); Bic (stationary, pens/markers); and AC Delco (automotives) were the brands most commonly recognized by consumers as being promoted by discount stores.

Lower-Price Promos Attract Frequent Discount Shoppers

Nationwide DSN Report

The lower-priced items discounters promote regularly have no trouble attracting frequent shoppers to their stores—but appear to lack the power to draw casual or infrequent customers.

Conversely, mass merchants and department stores have better success bringing in infrequent shoppers by promoting higher-ticketed goods such as clothing and domestics.

DSN's first annual Traffic Builders survey found that more than three out of every five shoppers aware of a store's promotion before they went into the unit were frequent customers of that store, meaning they visited the unit at least twice monthly.

For discounters, which promote more than any other store type examined in the study, more than three out of four of their promotion-minded customers were regular shoppers.

The only other retail store type where promotions were more likely to attract frequent, rather than infrequent, shoppers were drug stores, where two-thirds of the shoppers who knew of a sale had been in the store at least twice in a month.

For mass merchants, department stores, catalog showrooms and specialty outlets, the trend is the opposite of discount stores.

More than three-fifths of the consumers aware of a promotion at a

(Continued on page 27)

Table 7
Attracting New and Infrequent Customers

Mass merchants ever so slightly appear to be more successful at attracting first time and infrequent shoppers.

Retailer	Type of Retailer	% of New & Infrequent Shoppers Who Knew of a Sale Item Before Shopping Store*
Montgomery Ward	Mass Merchandiser	61.3%
Sears	Mass Merchandiser	58.9
Penney	Mass Merchandiser	58.1
Wal-Mart	Discount Dept. Store	41.9
Target	Discount Dept. Store	30.8
Zayre	Discount Dept. Store	29.1
K mart	Discount Dept. Store	20.9
Venture	Discount Dept. Store	16.7

* Customers who shopped a store less than twice a month

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Shoppers Aware of Discounter Sales Buy More Add-on Goods

Nationwide DSN Report

The mean sales ticket generated by consumers coming into a discount store to buy a product on sale is lower than the mean ticket for mass merchants, department stores, catalog showrooms or specialty units.

When taking into account the retail price of the products that discounters and other retailers promote, it appears—based on mean ticket figures—that consumers who know of sales are more likely to buy other products in a discount store than they are when shopping at other types of retail outlets.

The more expensive the promoted item, the more likely it is to draw shoppers interested only in promoted goods and disinclined to buy anything else.

Data discovered during *DSN's* Traffic Builders study shows that consumers are shopping discount stores more regularly for lower-priced promoted items. But whereas other dealers may be getting the bigger single purchase, their promotional items apparently fail to prompt add-on sales to the degree that discount stores' promotions do.

Promos Heavily Bought

About 70% of those consumers who know a product was being sold on promotion actually bought the item, and the mean ticket of their total purchase was $35.

The study divides the 51 most-frequently mentioned products consumers knew were being promoted in order of their relative cost, and examines how often these products were purchased *(see table 9)*.

For example, household cleaners, which customers most frequently mentioned as a promoted product, were purchased by these shoppers 73% of the time, but generated a mean ticket of only $13. But relatively inexpensive motor oil was bought by 75% of the customers who knew it was on sale, and generated a mean ticket of $37, which shows how well this category is able to produce add-on purchases.

Price Affects Add-on Sales

Among mid- and higher-priced product categories, a trend develops wherein customers buy only the item that they saw on promotion. Eighty percent of customers aware of promotions on toddlers' wear actually bought the product but spent only $19; nine out of 10 purchased small kitchen appliances they knew were promoted, but paid a mean ticket of only $47; more than 75% bought stuffed animals whose promotions they knew of, but the mean ticket of those customers was $33.

This trend becomes most evident when examining more stylish items like furniture (bought by 85.7% of those knowing it was on sale but generating a mean ticket of $285); fine jewelry (58.3%, $332); and microwave ovens (71.4%, $173). The study's findings demonstrate that the more expensive the item being promoted, the more likely it is to draw shoppers interested only in the promoted goods and disinclined to buy anything else.

These figures need to be placed within the perspective of each store's merchandising and marketing

(Continued on page 28)

Table 9

Tickets Generated by Traffic Builders

Among selected low cost items, cosmetics generated the highest mean ticket, while children's clothing among middle-priced items and fine jewelry among high-priced items generated the biggest tickets

Product That Shopper Knew Was On Sale	% Who Made a Purchase	Mean Ticket
Low Cost Items		
Cosmetics	77.8%	$ 39
Motor Oil	75.0	37
Antifreeze	84.2	28
Automotives, e.g., Batteries, Brake Fluid	85.7	26
Home storage, e.g., Mirrors, Closet Organizers	79.5	24
Household Paper Products	80.9	17
Laundry Products	90.5	17
Middle Cost Items		
Children's Clothing	75.0%	$ 53
Home Care, e.g., Tool Boxes, Light Bulbs, Leaf Bags	72.0	51
Small Kitchen Appliances	90.9	47
Men's Dress Pants/Slacks	83.3	41
Women's Blouses/Shirts	71.4	37
Women's Sweaters	60.9	36
Sheets, Comforters, Bedspreads	73.3	36
Highest Cost Items		
Fine Jewelry	58.3%	$332
Televisions	50.0	285
Upholstered Furniture	85.7	267
Microwave	71.4	173
Tires	37.5	154
Hard Furniture	66.7	113
Women's Jeans	60.0	93

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Table 8

Effectiveness of Product Promotions

When promoted, larger ticket items like sheets & apparel tend to attract more new and infrequent traffic, while small tickets like household goods generate more trips from current customers

All Who Knew of a Sales Item and Were Coming to Shop For:	Customers Who Shop at This Store:	
	Often*	Not Often
Household Cleaners	70.3%	29.7%
Hair Care/Personal Care Items	83.6	16.4
Home Care, e.g., Tool Boxes, Light Bulbs, Leaf Bags	40.0	60.0
Women's Shoes/Boots	59.2	40.8
Food, e.g., Peanuts, Gum, Beer, Cookies	73.5	26.5
Household Paper Products	83.0	17.0
Candy	83.0	17.0
Women's Sweaters	60.9	39.1
Sheets, Comforters, Bedspreads	48.9	51.1
Toys/Games	60.5	39.5
Home Storage, e.g., Mirrors, Closet Organizers	61.5	38.5
Women's Lingerie/Sleepwear	61.1	38.9
Women's Blouses/Shirts	42.9	57.1
Women's Jogging Suits	62.5	37.5
Infants & Toddlers' Clothing	45.8	54.2
Women's Outdoor Coats/Jackets	57.1	42.9
Women's Dress Pants/Slacks	76.2	23.8
Laundry Products	85.7	14.3
Automotives, e.g., Batteries, Brake Fluid	76.2	23.8
Window Coverings	60.0	40.0
Motor Oil	60.0	40.0

Shopping twice a month or more Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Lower-Price Promos Attract Frequent Discount Shoppers

(Continued from page 22)

mass merchandiser said they had been in these stores less than twice over the past month; nearly seven out of 10 consumers who knew of a department store's promotions were infrequent shoppers; and nine out of 10 shoppers who said they were aware of a sale at a catalog showroom had been there less than twice in a month.

Wards (61.3%), Sears (58.9%) and Penney (58.1%) offer promotions that appear to be successful at attracting first-time and infrequent shoppers *(see table 7, page 22)*.

The study broke down shopping frequency by product category and found that domestics, cosmetics, apparel, furniture and jewelry are promotions that attract new or infrequent traffic, while small ticket merchandise may be better at generating more trips from existing customers *(see table 8)*.

But the study found rare exceptions to this rule. For instance, three in five customers aware of a store's promotion on low-priced home-care products, such as tool boxes and light bulbs, were infrequent shoppers of that store. By and large, however, the higher-end items seem to lure the customer making a special visit.

On the surface, this finding would appear to present competitive problems for discounters, whose lead promotional items, such as household goods, hair care products and candy, are low-priced goods and are drawing mostly frequent shoppers to their stores. And when discounters promote higher-priced goods like women's shoes, only around 9% of those consumers aware of the promotion were infrequent shoppers.

Discounters are sacrificing promotions on big ticket goods in favor of promoting items that draw their regular shoppers—who usually buy more than what they came for.

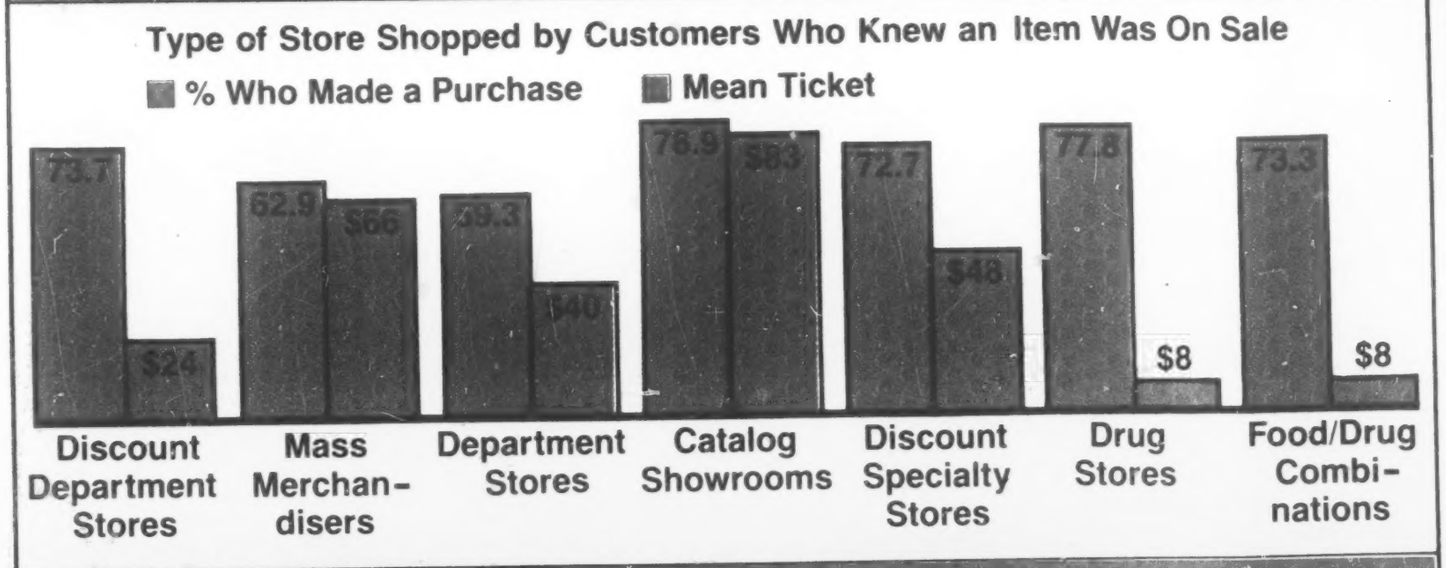
As other sections of the study show, however, it is likely that a customer coming into a discount store to purchase a cheaper product on sale will add to that purchase with other items, whereas if, say, a woman makes a special trip to a department store to buy a shirt on ad, it's less likely that she'll buy anything else.

Consequently, it appears that discounters, in their marketing strategy, are sacrificing promotions on big ticket goods that bring in the infrequent shopper in favor of promoting those items that draw their regular shoppers—who usually buy more than what they came for.

TRAFFIC BUILDERS SURVEY

Table 10
Tickets Retailers Garner from Their Traffic Builders

Drawn by promotions, discount store shoppers tend to make a purchase, but their mean ticket is generally lower than for many other types of retailers



Source: Leo J. Shapiro & Assoc. Discount Store News, November 1986

Aware Shoppers Buy More Add-on Goods

Table 11
Total Ticket Generated by Traffic Builders at Discount Stores

Zayre and Venture have the highest purchase incidence, while Wal-Mart shoppers attracted by a promotional item made purchases less often

Store Shopped by Shoppers Who Knew a Product Was On Sale	% Who Made a Purchase	Mean Ticket
Zayre	86.7%	$36
Wal-Mart	58.1	29
Venture	87.5	28
Target	61.5	27
K mart	72.0	18

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

(Continued from page 27)
thrust, however. Obviously, discount stores, whose promotions of lower-priced fare cater to frequent shoppers, appear to be generating more add-on sales than department stores, catalog showrooms and mass merchants. In contrast, promotions at these retailers focus on higher-priced goods with price points that consumers are more likely to compare with many different outlets for a specific purchase *(see table 10)*.

Discount stores, whose promotions of lower-priced fare cater to frequent shoppers, appear to be generating more add-on sales than department stores, catalog showrooms and mass merchants.

Useful conclusions come from comparing the buying patterns among different discounters—whose promoted products are bought by savvy consumers about 75% of the time—and their respective abilities to use promotional items to generate higher ticket sales.

Shoppers of Zayre, who registered a higher level of promotional awareness than shoppers of any other discount chain, buy items on sale at Zayre's stores more than 86% of the time. They purchase products valued at a mean of $36, $12 higher than the mean for discounters as a whole *(see table 11)*.

Venture, whose customers showed considerably less awareness about its promos, nevertheless, was able to sell its advertised items to knowledgeable consumers 87.5% of the time, although the mean ticket was $28.

Shoppers who knew of promotions at K mart made the purchase slightly more than seven out of 10 times, but the mean ticket was $18.

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Automotive and Consumer Group

Miscellaneous Items Draw Well, Produce Fewer Add-on Sales

Nationwide DSN Report

Hair care, candy, and other consumables such as snacks and beer, are vigorously promoted by discounters. These items are particularly successful at bringing in regular customers but produce less in the way of add-on purchases by consumers who are aware of sales on these items, found the *DSN* Traffic Builders Survey.

Miscellaneous products, such as flowers, over-the-counter drugs, cosmetics and jewelry, that fail to fit into any of the three product categories cited in this report don't automatically lend themselves to encouraging add-on sales, although some of these do attract new customers to stores conducting the promotions.

And it appears as if department stores are seeking to carve out a promotional niche for themselves by advertising items that neither discounters nor other retailers appear interested in promoting.

It appears as if department stores are seeking to carve out a promotional niche for themselves by advertising items that neither discounters nor other retailers appear interested in promoting

Discounter Ads Recognized

DSN's Traffic Builders study found hair care to be the second most frequently mentioned category about whose promotions consumers shopping all stores were aware. It ranked second in mentions by discount stores customers.

The category designated by the study as "other foods" (such as snacks and beer) ranked fourth for all stores and for discounters in total mentions, followed by candy, which got the fifth highest number of mentions by shoppers aware the product was on sale at a discount store.

Mass merchants do not appear to promote extensively the 12 products in this grouping except for fine jewelry, which ranked 14th among those items shoppers knew were being promoted by mass merchants (compared to a 31st ranking overall).

But department stores and other retailers such as specialty outlets and catalog showrooms appear to be using some of the products in this group against the promotional grain of their competitors. For example, cosmetics received the second highest number of promotional mentions by shoppers of department stores, although the category rated 42nd overall and 50th for discounters as one that shoppers knew was being promoted.

Costume jewelry fits into the same mold. For shoppers who knew about a promotion, the category ranked 47th overall and 37th for discounters; department store shoppers placed it fifth.

The promotions by other retailers, which includes catalog showrooms, specialty houses and drug combo units, rang up relatively high consumer awareness quotients for items such as candy and other foods along with fine jewelry (which ranked 11th in mentions for these stores but only 31st overall and 78th for discounters.).

Aware of Promotions

For the most part, products cataloged in this miscellaneous grouping were known to be on sale more often by frequent shoppers. This is particularly true when discounters advertise these items.

More than 8 of 10 consumers who knew a store had hair care items on promotion had been to that store at least twice in the past month, a percentage that holds firm when discount shoppers are broken out of the mix.

(One of the more unusual findings in the study showed that 90% of those knowledgeable about specials on "other" drug/personal care items like vitamins and safety swabs went to the promoting store frequently, whereas less than two thirds of those who knew of an over-the-counter drug promotion were regular shoppers.)

Frequent shoppers also were more likely to be aware of promotions on candy and other foods, flowers and costume jewelry.

But new shoppers are the bargain hunters when it comes to fine jewelry (two thirds of those who knew of a cosmetics special said they had visited the store infrequently), cosmetics (more than half were new shoppers),

(Continued on page 32)

TRAFFIC BUILDERS SURVEY

Older Shoppers Pay More Attention to Ads, Monitor Spending

Table 12
Shopper Profile

Older shoppers are more sensitive to sales and promotions, but roughly the same proportion of men as women say they knew of an item on sale

Age	% of All Shoppers Who Knew of Sale/Special	% of Men Shoppers Who Knew of Sale/Special	% of Women Shoppers Who Knew of Sale/Special
Under 25	25.1%	18.2%	27.4%
25-34	31.0	29.2	31.4
35-44	35.5	36.8	35.1
45-54	38.0	32.6	39.5
55-64	42.2	40.2	42.6
65 and Over	42.2	43.9	41.5

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Nationwide DSN Report

The adage, "the older you get, the wiser you become," carries over to the way consumers spend their money for goods on sale in discount stores, mass merchants, department stores and specialty outlets.

As they age, both men and women become more likely to pay attention to the ad of a retailer and become more careful about how they spend their cash *(see table 12)*.

The Young Are Unaware

About 35% of all the shoppers questioned said they knew of a promotion before going into a store. But nearly 75% of those shoppers polled who were younger than 25 said they were unaware of what was on sale in the store they were entering. Promotional awareness picks up steadily, however, as people get older and, presumably, earn more.

Generally, women are more conscious of a retailer's promotions than are men. This is particularly true for younger women: 27.4% of females under 25 said they were aware of a retailer's promotion, while only 18.2% of men in that age group knew of a sale.

The gender pattern changes, albeit erratically, as both groups mature. For instance, a higher percentage of men than women in the 35 to 44 age bracket knew about a promotion; but in the 45 to 54 group, nearly two in five, or about 40%, of women knew of a store's promotions, compared to slightly more than three out of 10, or 30%, of men.

Retirees Pay More Attention

The pendulum swings back, however, when each group reaches retirement age. Close to 44% of the men 65 years or older knew of a sale or special, compared to around 42% of the women in this grouping; and 42% is the average percentage for the age group as a whole.

Miscellaneous Products Attract Regular Shoppers

(Continued from page 31)

and recreational toys like wagons and bicycles (three-quarters of those who were aware of an ad in this category said they were new shoppers).

Add-on Sales Are Rare

Lastly, the study looked at how often consumers who are knowledgeable about a promotion buy the product, and how much they spend during that trip to the store.

It discovered that, although the buying frequency for this miscellaneous product grouping is generally high, some question remains whether these products generate additional sales.

A random sampling of responses shows that nearly 90% of shoppers knowing of a store's sale on snacks and beer wound up buying the product. But these customers only spent a mean ticket of $8. The 75% of consumers who actually purchased hair care items they were aware of through ads spent a mean of $13.

Even a big ticket purchase like fine jewelry, which was purchased by nearly three out of five consumers who knew of a store's special, produces a sale of $332, which by no means indicates this product is generating add-on business.

The inference that can be drawn from these data is that while this miscellaneous product grouping keeps steady customers satisfied and coming through a retailer's door, it does little to encourage shoppers to buy other, nonpromoted items, on which dealers rely for higher margins.

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TRAFFIC BUILDERS SURVEY

Apparel

Discounters Pick and Chose when Promoting Apparel

Nationwide DSN Report

Apparel merchandise is not as important as a promotional category to discounters as it is to other retailers, for which these products are far more significant to their advertising efforts. And it is more often the case that new shoppers will go to other stores besides a discount unit to purchase men's, women's and children's clothing.

However, when discounters put certain kinds of apparel—women's lingerie, women's accessories and children's clothing—on sale, their promotions have a high recognition level compared with their retail competitors. It seems, however, that discounters are picking their spots, and do not view apparel in the same promotional light as, say, home-related items.

DSN's Traffic Builders study lists the 51 product categories that accounted for 75% of all the responses by consumers asked to name which items they knew were on sale in the stores they planned to shop. These categories fall into four subgroups: apparel, home products, hard lines, and a miscellaneous for such items as candy, jewelry, over the counter drugs and flowers.

Low Sale Priority on Clothes

That apparel, as a category, ranks lower in promotional importance for discounters than other items is clear *(see table 13)*. For example, the number of consumers who knew a discount store had women's shoes on sale ranked ninth among all product category mentions for discounters, whereas women's shoes was the fourth highest mentioned promotional category for department stores, and the second highest for "other" retailers (including specialty outlets).

Similar examples abound. Consumer awareness of promotions for men's coats ranked 28th for all stores, 55th for discounters, but seventh for mass merchants; recognition of promotions on women's skirts was 34th overall, 65th for discount stores, but in a tie for fifth for department stores; women's blouses fall into 37th place for discounters, but first place for department stores.

Traffic Builder Products: Apparel

Product Category	% of Total Mentions at All Stores	Discount Stores		Mass Merchants		Dept. Stores	
		% of Total Mentions	% of Mentions in Category	% of Total Mentions	% of Mentions in Category	% of Total Mentions	% of Mentions in Category
Women's Shoes/Boots	4.5%	3.2%	44.9%	3.9%	18.4%	7.3%	6.1%
Women's Sweaters	4.2	2.3	34.8	3.1	15.2	4.9	4.3
Women's Lingerie/ Sleepwear	3.6	3.2	61.1	4.8	30.6	—	—
Women's Blouses/Shirts	2.6	0.9	21.4	3.5	28.6	19.5	28.6
Women's Jogging Suits	2.2	1.9	54.2	3.5	33.3	4.9	8.3
Infants & Toddlers' Clothing	2.2	1.3	37.5	4.8	45.8	9.8	16.7
Women's Coats/Jackets	1.9	1.0	33.3	3.1	33.3	2.4	4.8
Women's Dress Pants/ Slacks	1.9	1.3	42.9	2.6	28.6	4.9	9.5
Women's Accessories	1.4	1.6	73.3	0.9	13.3	2.4	6.7
Men's Shirts	1.4	1.0	46.7	1.7	26.7	2.4	6.7
Women's Sportswear	1.3	1.2	57.1	1.7	28.6	—	—
Men's Coats/Jackets	1.2	0.4	23.1	4.4	76.9	—	—
Women's Skirts	1.0	0.3	18.2	0.9	18.2	4.9	18.2
Women's Jeans	0.9	0.7	50.0	0.9	20.0	4.9	20.0
Men's Accessories	0.8	0.9	66.7	0.9	22.2	2.4	11.1
Other Children's Clothing	0.7	1.0	87.5	0.4	12.5	—	—

However, when total mentions in a given category are grafted onto data about where consumers knew promotions were occurring, a somewhat different picture emerges *(see table 14, page 38)*.Take women's skirts: more than 75% of the consumers who knew of a skirt sale noted that the promotions were being run by a mass merchant. But in a product line that's not too promotionally significant for discounters, nearly 25% of the consumers said they knew of a skirt promotion at a discount store.

Whether this is a misperception on the consumer's part is hard to tell, but more than half of the shoppers aware of a women's skirt promotion at all stores wound up buying the product there.

Similarly, infant's clothing ranked 14th overall, 23rd for discounters, but fifth and second, respectively, for mass merchants and department stores for consumer promotional mentions. Nevertheless, discounters got nearly two out of every five mentions in the product category in which about eight out of every 10 consumers who is aware of a promotion winds up buying the advertised product.

Where discounters and other dealers part company, though, is in the kinds of consumers apparel promotions bring into their stores.

New Shopper Preferences

Most of the 16 apparel categories in the study were identified as being on sale more often by consumers who were not frequent shoppers of the store they were visiting. But in every case where consumers knew of a promotion at a discount store, these same shoppers said they had been to that discount outlet at least twice in the past month.

One prime example of this would be women's jogging suits, a product used regularly for promotions by all retail stores. More than 75% of the shoppers who knew of a discounter promoting this product said they were frequent customers of that store; only two in five who knew of a jogging suit sale at either a mass merchant or department store were regular shoppers of these stores. Women's sweaters, infant's clothing and lingerie are other categories which follow the same pattern.

Add-on Sales Are Questionable

Discounters may be treading cautiously in deciding which apparel items to promote because it does not appear these items are all that

(Continued on page 38)

MARKETWATCH

NEW YORK — **Kurt Salmon Associates** projects a 3% growth in sales of soft lines, including linens and domestics, for retailers in 1987.

The company's report asserts that retail prices will remain almost static with tighter inventory controls and improved execution boosting productivity.

On a unit basis, KSA sees only a 2.5% increase in apparel for the year. Consumers aren't expected to go on any spending sprees. Other factors such as lower inventory levels at manufacturers and retailers, as well as defined fashion directions, should keep business strong, the report said.

In men's wear, unit sales are expected to increase 2% this year with loosely fitting sportscoats, casual shirts, active sportswear and sweaters as the growth areas.

The projection of 3% more unit movement in women's wear also depends on a continued strength in activewear and sweaters plus a swing to more feminine suits and skirts.

In both girls' and boys' wear categories, activewear is again expected to chalk up the largest gains. Overall, a 2% unit increase was predicted in boys' wear and a 1% gain in girls' wear.

Accessories should pick up 3% in unit consumption this year, KSA stated in the report, with snakes skin, crocodile, big cat prints and tortoise shell buckles as the hot fashion features.

Athletic footwear, up by 15% through the first half of 1986, is expected to rise again by another 20% in 1987.

A group of 68 apparel makers who were polled by KSA expect to ship an average 5% more units in 1987. They also predicted an average 4% rise in wholesale prices, a 3% drop in inventory levels and an 11% rise in profits.

* * *

NATICK, Mass. — Membership warehouse clubs like **Zayre's B.J.'s** wholesale club are after a slice of that apparel business.

Last month's 48-page mailer from the 15-unit B.J.'s operation devoted two pages to jewelry and four pages to apparel. The same brand-name-at-a-price tactic used for VCR's and office furniture was used to tout Lee, Pandora, Oscar De La Renta, Tultex, Hanes, Saddlery and Oleg Cassini clothing.

Prices for members ranged from $2.86 after rebate for Bill Blass men's briefs to $97.64 for a Saddlery leather jacket, also for men. An Oleg Cassini men's trench coat with a zip-out lining was featured at $52.73.

Women's clothing items featured in the book were all under $21. The highest priced item was an oversized Orlon Pandora sweater for $20.49. Other ladies' items included a Forenza (Limited's private label) London sweater for $7.97 and Lee stonewashed Relaxed Rider jeans for $16.96.

TRAFFIC BUILDERS SURVEY **APPAREL**

Discounters Pick Spots Carefully when Promoting Apparel

(Continued from page 37)
successful at encouraging consumers to make add-on sales.

Men's shirts are bought by more than two-thirds of the consumers who knew the product was sold on promotion; but the mean ticket of that purchase was $27, indicating that not much more than the shirt was rung up.

Women's sportwear is even more dubious about generating add-ons: the purchase is made by seven out of 10 consumers with awareness of the promotion, but the mean ticket is only $19.

There are two categories—women's sweaters and blouses, with a mean ticket, respectively, of $36 and $37—where consumers are either trading up to higher-quality items or are making add-on purchases. And one category, women's jeans, is the singular apparel item that seems to be magnetic in its producing other purchases: 60% of those who knew the product was one sale bought the jeans, but they spent a mean of $93. Even designer labels by themselves don't ring up that total.

Discounters' Promotions Lag in Branded Apparel

Nationwide DSN Report

Department stores and mass merchants are using branded apparel to attract customers far more regularly than discounters.

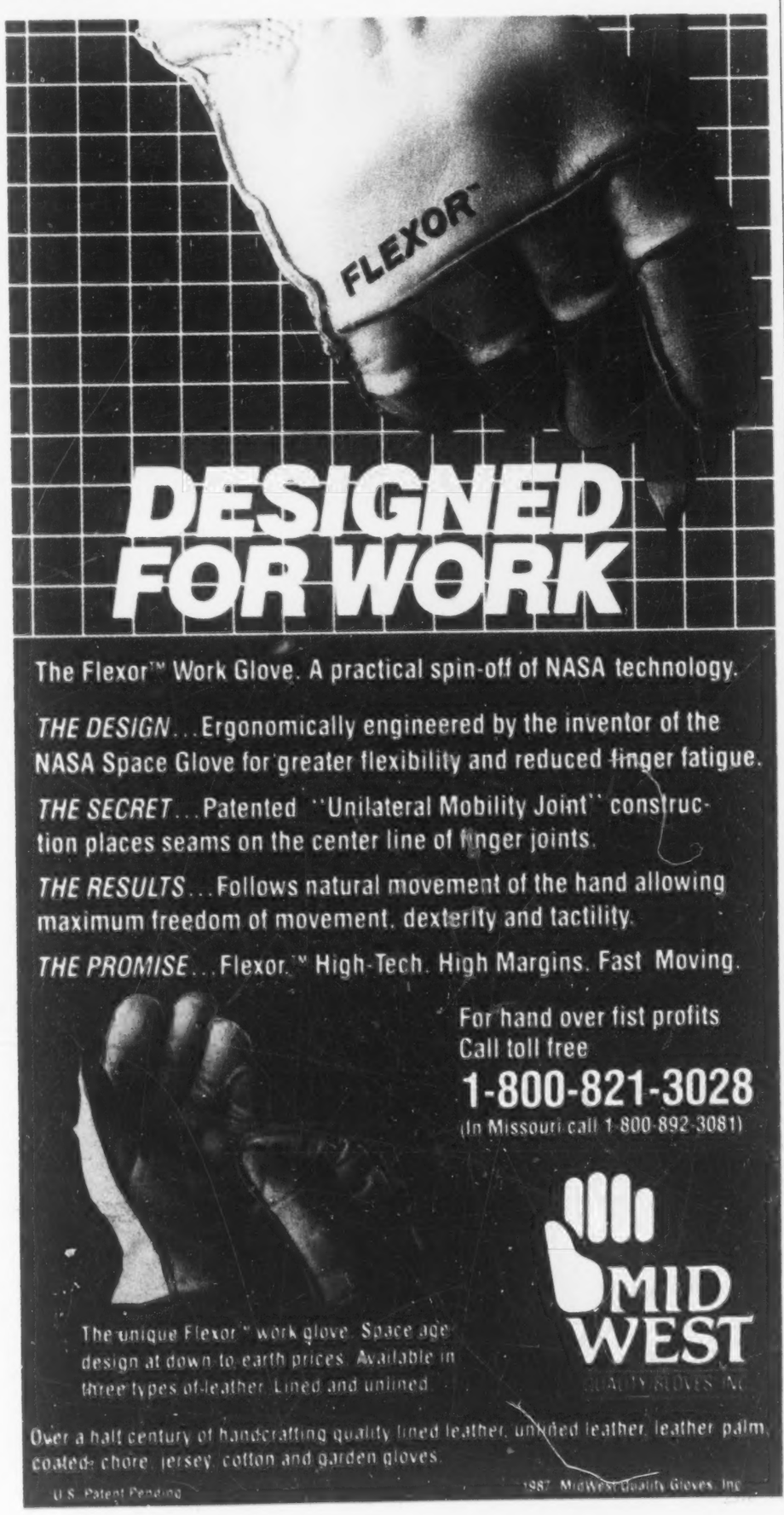
In fact, among the 48 top brands mentioned by consumers as being on sale in *DSN's* Traffic Builders study, the Sports Togs brand of leisure wear was the highest-mentioned brand by shoppers of mass merchants' units. Sports Togs ranked 10th overall in brand recognition in the study.

The differences in the kinds of merchandise various retailers promote was even more evident in the data examining the responses of department store shoppers, who identified the Liz Claiborne and Villager brands of women's and men's clothing as the brands they were most aware of being on sale at these units. These two brand names ranked only 34th in overall mentions.

Other prominent apparel brands that mass merchants are promoting, based on consumer recognition of their ads, include Tultex, a woman's jogging suit brand sold by Montgomery Ward, and Iron Wood, a brand of men's wear. Both of these brands were tied for the third in total mentions of promotional brands by mass merchant shoppers, but only 34th overall.

Discounters' promotions of apparel brands is apparently limited, although L'eggs pantyhose was the ninth-ranked brand discount shoppers knew was on sale.

Product Category	% of Mentions by Frequent Shoppers at All Stores*	% of Shoppers Who Bought a Product They Knew Was On Sale	Mean Ticket of Those Who Bought the Sale Item**
Women's Shoes/Boots	59.2%	63.3%	$27
Women's Sweaters	60.9	60.9	36
Women's Lingerie/Sleepwear	61.1	69.4	20
Women's Blouses/Shirts	42.9	71.4	37
Women's Jogging Suits	62.5	70.8	30
Infants & Toddlers' Clothing	45.8	79.2	19
Women's Coats/Jackets	57.1	61.9	43
Women's Dress Pants	76.2	66.7	40
Women's Accessories	73.3	NA	NA
Men's Shirts	60.0	66.7	27
Women's Sportswear	50.0	71.4	19
Men's Coats/Jackets	69.2	84.6	48
Women's Skirts	45.5	54.5	48
Women's Jeans	70.0	60.0	93
Men's Accessories	66.7	NA	NA
Children's Clothing	100.0	75.0	53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DESIGNED FOR WORK
The Flexor™ Work Glove. A practical spin-off of NASA technology.
THE DESIGN...Ergonomically engineered by the inventor of the NASA Space Glove for greater flexibility and reduced finger fatigue.
THE SECRET...Patented "Unilateral Mobility Joint" construction places seams on the center line of finger joints.
THE RESULTS...Follows natural movement of the hand allowing maximum freedom of movement, dexterity and tactility.
THE PROMISE...Flexor.™ High-Tech. High Margins. Fast Moving.
For hand over fist profits
Call toll free
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U.S. Patent Pending
1987 MidWest Quality Gloves, Inc.

MANUFACTURER NEWS

Sarah Coventry Awards Canada License to Daco

WARWICK, R.I. — Sarah Coventry Inc. has licensed Daco Manufacturing Ltd., Ontario, to produce a line of fashion jewelry under the Sarah Coventry name for sale in Canada. Separately, the company also announced the expansion of its children's fine jewelry line and that Jewelmont Corp. will assume exclusive license for Miss Sarah fine jewelry for children.

The new Sarah Coventry fashion jewelry collection by Daco includes earrings, bracelets, necklaces and chains that will have suggested retail price points ranging from $6 to $20 (Canadian). Earrings will be available in 90 styles featuring tailored, pearl, enamel, rhinestone and colored stone. Two freestanding tower displays are available with a minimum order for point-of-purchase support and Daco will tailor individual marketing programs to retailers.

The Miss Sarah fine jewelry collection will be enhanced by animals, butterflies, flowers and other designs added to the 14-karat collection of earrings, bracelets, charms and rings, according to Robert Leeds, president of Jewelmont, Minneapolis. "We have a collection derived from a line that has proven over the last 18 months to be a great hit among preteens," he said.

According to Leeds, Jewelmont, a 50-year-old company, will open a new division, the Miss Sarah Division of Jewelmont, that will market the jewelry primarily through discount, mass merchandise, department and specialty stores.

A Miss Sarah gift boutique pedestal for floor display of the entire line and a countertop presentation of an assortment of merchandise will be offered. Suggested retail prices will range up to $30.

Femic Merges With AAi

NORTH PROVIDENCE, R.I. — Femic Inc., manufacturers of fashion jewelry and small leather goods for mass merchandisers, has been incorporated into Accessories Associates Inc. (AAi).

The merging of Femic with AAi will enable discount stores and mass merchandisers to select products and service from one resource. The company's national service program has also been extended to cover its new small leather goods line.

AAi's national service program features inventory maintenance in which a member of the company's 300-person team updates all product categories before a retailer's inventory gets too low.

EXECUTIVE CHANGES

Dorothy Schimel has been named president for the small leather goods division of **Accessories Associates Inc.**, Providence, R.I. Schimel is headquartered in the company's New York showroom. Her responsibilities include the design, production and marketing of the new small personal accessories line. She was formerly president, Franstef Inc., New York, manufacturer of personal accessories and leather goods.

Rocky Mount Undergarment Co., Rocky Mount, N.C., has named **Jack Loftis** vice president, manufacturing. Loftis will be responsible for manufacturing operations of the company's facilities. He was formerly executive vp, operations at Quality Mills, Mount Airy, N.C.

Larry Malamut has joined the Children's Volume Makeup and Licensed Footwear Division of the **Trimfoot Company**, Farmington, Mo., as a Boston area representative.

TRAFFIC BUILDERS SURVEY

Home Products

Household Cleaners Help Produce Add-on Purchases

Table 15
Traffic Builder Products: Home Products

Product Category	% of Total Mentions at All Stores	Discount Stores		Mass Merchants		Dept. Stores	
		% of Total Mentions	% of Mentions in Category	% of Total Mentions	% of Mentions in Category	% of Total Mentions	% of Mentions in Category
Household Cleaners	6.8%	10.4%	97.3%	—	—	—	—
Household Paper Products	4.3	6.6	97.9	—	—	—	—
Sheets/Comforters	4.1	2.0	31.1	13.1%	66.7%	2.4%	2.2%
Laundry Products	1.9	2.9	95.2	—	—	—	—
Window Coverings	1.8	1.0	35.0	5.7	65.0	—	—
Bath Towels	1.7	1.0	36.8	5.2	63.2	—	—
Hard Furniture	1.1	0.6	33.3	3.1	58.3	—	—
Small Kitchen Appliances	1.0	1.0	63.6	0.4	9.1	—	—
Lamps	0.8	0.9	66.7	1.3	33.3	—	—
Cookware	0.8	1.2	88.9	—	—	2.4	11.1
Televisions	0.7	0.3	25.0	2.2	62.5	—	—
Fabrics/Material	0.8	0.6	44.4	—	—	—	—

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Table 16
Customer Response to Home Products Traffic Builders

Product Category	% of Mentions by Frequent Shoppers at All Stores*	% of Shoppers Who Bought a Product They Knew Was On Sale	Mean Ticket of Those Who Bought the Sale Item**
Household Cleaners	70.3%	73.0%	$ 13
Household Paper Products	83.0	80.9	17
Sheets/Comforters	48.9	73.3	36
Laundry Products	85.7	90.5	17
Window Coverings	60.0	80.0	29
Bath Towels	42.1	57.9	21
Furniture	33.3	66.7	113
Small Kitchen Appliances	45.5	NA	NA
Lamps	66.7	77.8	46
Cookware	77.8	100.0	30
Televisions	37.5	50.0	285
Fabrics/Material	44.4	66.7	35

* Shoppers who shopped at the store at least twice a month
** Total ticket could include other goods in addition to the sale item
NA — Not available

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Nationwide DSN Report

Discounters are strong promoters of household items such as cleaners and laundry and paper products. But these stores don't seem to actively promote other "home" related goods such as linens or window coverings to the same extent as do mass merchants.

In addition, it appears as if these household items are being shopped primarily by regular discount store customers—and are generating add-on sales— while other home-related products, when promoted, may bring new shoppers into mass merchants' units but are not stimulating additional purchases.

In other words, the higher the ticket on these home products, the more likely it is that they are attracting new customers who are shopping only for that product.

Cleaners Lead List

DSN's Traffic Builders study found that household cleaners were the No. 1 product mentioned as being on sale by consumers of all stores and discount store shoppers. Paper products, the sixth-mentioned item overall, ranked third by those aware of sales at discount units *(see table 15)*.

Even cookware, which doesn't appear to be promoted that frequently by any retailer, had nearly nine out of 10 consumers who knew of a sale say it was going on in a discount store.

Sheets and comforters, on the other hand, were known to be on promotion by more consumers of mass merchants' stores than any other category mentioned, with window coverings and bath towels taking up the third and fourth places among those items mass merchant shoppers said they knew were on sale before entering the store.

Perhaps the most surprising finding shows television sets—which ranked 65th in mentions by discount shoppers and 47th overall—was the 17th most frequently mentioned item being promoted by mass merchants.

But the home products group is not one that either department stores or other retailers such as specialty and catalog showroom units promote on a

(Continued on page 44)

MARKETWATCH

EDISON, N.J. — **Crazy Eddie** has formed a new office of the president consisting of Mitchell Antar, executive vice president, marketing; Sam E. Antar, executive vp and chief financial officer, and Dr. Isaac Kairey, executive vp, operations. Eddie Antar, who has relinquished the title of president, will continue as chairman of the board and chief executive officer. Crazy Eddie has also added to its Board of Directors: Solomon E. Antar, Esq., senior vp, secretary and general counsel; David V. Panoff, senior vp, consumer service operations and telemarketing; Edmond Levy, vp, real estate and development; Steve Pasquariello, vp, store operations, along with Sam E. Antar and Dr. Kairey.

In another development, the board has adopted a stock repurchase program to reduce the number of outstanding common shares. Under the program, the company will, from time to time, make open market purchases of up to 3 million shares of its common stock.

* * *

NEW YORK — Will rebates be a thing of the past? Two major housewares manufacturers have announced plans either to eliminate or reduce rebates. **Black & Decker** U.S. Household Products Group will eliminate consumer rebates on all household products on March 31, 1987 and on all personal care products on June 30, 1987.

Moreover, Sunbeam announced it will reduce the amount of rebates by 60% in 1987.

Dennis Heiner, president of B & D's U.S. Household Products Group, said that rebates no longer make sense in this industry because they cut into inherently low profit margins for the retailer and the manufacturer.

* * *

DALLAS — **O. G. Wilson,** a chain of eight retail stores in Texas and Louisiana featuring name brand merchandise at discount prices, has introduced B.A.P.I.T., a guarantee to Beat Any Price In Town. B.A.P.I.T is one of the merchandising strategies developed in a program "dedicated to creating economic stimulation in the cities where our stores are located," said Michael Kryder, chairman, president and chief executive officer of Wilson's parent, By Land and Sea Distributors.

O.G. Wilson introduces B.A.P.I.T.

Household Product Promos Spur Add-ons

(Continued from page 43)
regular basis, if consumers' awareness of their advertising is any indication.

Sheets and comforters, for instance, were the 14th-ranked category mentioned by shoppers of department stores; household cleaners placed 20th in mentions by consumers shopping "other" units. Laundry products, which rank 16th overall (and more than 95% of the mentions came from discount store shoppers), fell to 28th in the mentions from shoppers of specialty and other stores.

The one oddity was fabrics, which registered low mention levels for most retailers except those in the "other" category (specialty and drug stores), where these products were the seventh most frequently category shopppers mentioned as being on sale. To a lesser extent, the same was true of small kitchen appliances: 34th in overall mentions, 30th for discount stores and 44th for mass merchants, this product category was in 15th place among those known to be on sale by stores designated in the study as "other."

Consumers are looking for sales on home products alone, and aren't too interested in other merchandise.

Promotions of home products also appear to be luring frequent, rather than new, customers to dealers' stores. And the power of these items to generate additional product sales varies considerably *(see table 16, page 43)*.

For the most part, the home-related merchandise discounters promote is attracting their regular shoppers. Seventy percent of those who knew about a household cleaner sale said they shopped the discount store at least twice a month. That number rose to 85% for laundry items and 87.5% for cookware.

In contrast, one in six customers who knew of a promotion being run on bath towels by a mass merchant or department store visited that unit often. (Less than three in five shoppers aware of a bath towel promotion actually buy the product). Slughtly more than one in three consumers knowing of a sale on sheets and comforters shopped these stores frequently.

As for the ability of these promotional home products to generate add-on sales, the study leaves little doubt that consumers are looking for sales on these items alone, and seem little interested in buying other merchandise when making those purchases.

For example, the mean ticket for those who purchased household products was only $13. Sheets and comforters produced a mean ticket of $36; bath towels, $21; fabrics, $35.

Even in durables like furniture, televisions and lamps (with respective means of $117, $285 and $46), it appears as if the customer buys only the items noted.

The one line of products, though, that appears to be stimulating add-on sales when placed on sale is laundry products. More than nine in ten shoppers who know the product is being promoted will buy it, and their mean ticket is $17. That indicates that other, lower priced, merchandise also is being purchased.

Discounters Stress Brands in Promos; Comet Shoots to Top of Known Brands

Nationwide DSN Report

Discounters are actively promoting brand names in the home products category, while branded items are hardly mentioned by mass merchants, department stores and other retailers in their promotions of these goods, according to *DSN's* Traffic Builders survey.

The *DSN* Traffic Builders study asked consumers to name the branded items they knew were on sale before they entered a particular store. The top 48 brands mentioned accounted for 45% of the total brands named by consumers.

In this home products grouping (which for this article's purpose includes household cleaners), Comet was the most frequently mentioned brand known in advance to be on sale by all shoppers in general and customers of discount stores in particular.

Top brands in this grouping to receive high brand recognition included Lux (the dishwashing detergent that ranked seventh in overall mentions); Vanish (which ranked 12th overall and 9th among discount store shoppers); and Real Lemon (the furniture polish brand that also placed 9th among mentions by discount shoppers).

Other leading traffic building brands in this category were Arm & Hammer (12th overall, 9th among discount store shoppers), Penthouse Paper Goods, Tide, Sani-flush and Waldorf Paper Goods (all tied at 18th overall and 14th among discount store shoppers), Rubbermaid (24th overall, 20th at discounters), Mr. Coffee (28th and 24th), Scot Paper and Windex (both tied at 34th overall and 28th among discount store shoppers).

Your name pr
Our name kee

You take a lot of pride in your store. You're committed to the quality of the products you sell. At General Electric, we understand that commitment, because we put quality into the products we make. If we didn't, you wouldn't sell them.

That commitment has paid off for you, and it's paid off for us. It's the reason GE Soft White Bulbs outsell all the competitive brands combined. It's the reason our brand awareness is three times that of the next guy.

Of course, none of that is accidental. GE has always been aggressive in capturing share of mind. We've done it with a heavily weighted advertising schedule on television and a consistently successful promotional campaign. We've done it with hard-hitting newspaper and magazine advertisements and sales-producing point-of-purchase displays.

All of that support reinforces General Electric's reputation for quality. It strengthens that perception among consumers before they even walk into your

Hard Lines

Hard Lines Promotions Generate More Add-on Purchases

Table 17

Traffic Builder Products: Hard Lines

Product Category	% of Total Mentions at All Stores	Discount Stores: % of Total Mentions	Discount Stores: % of Mentions in Category	Mass Merchants: % of Total Mentions	Mass Merchants: % of Mentions in Category	Dept. Stores: % of Total Mentions	Dept. Stores: % of Mentions in Category
Home Care, e.g., Tool Boxes, Light Bulbs	4.6%	4.0%	56.0%	6.6%	30.0%	—	—
Toys/Games	3.9	5.5	88.4	—	—	—	—
Home Storage, e.g., Mirrors, Closet Organ.	3.6	4.3	76.9	2.2	12.8	—	—
Batteries/Brake Fluid	1.9	2.6	85.7	1.3	14.3	—	—
Motor Oil	1.8	2.0	70.0	2.2	25.0	—	—
Antifreeze	1.7	2.7	100.0	—	—	—	—
Stuffed Animals	1.2	1.3	69.2	—	—	—	—
Craft Items	1.2	1.9	100.0	—	—	—	—
Oil Filters	1.1	1.6	91.7	—	—	—	—
Paint	1.0	0.7	45.5	2.6	54.5	—	—
Tires	0.7	0.7	62.5	0.9	25.0	—	—

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Table 18

Customer Response to Hard Lines Traffic Builders

Product Category	% of Mentions by Frequent Shoppers at All Stores*	% of Shoppers Who Bought a Product They Knew Was On Sale	Mean Ticket of Those Who Bought the Sale Item**
Home Care, e.g., Tool Boxes, Light Bulbs	40.0%	72.0%	$ 51
Toys/Games	60.5	76.7	33
Home Storage, e.g., Mirrors, Closet Organizers	61.5	79.5	24
Batteries/Brake Fluid	76.2	85.7	26
Motor Oil	60.0	75.0	37
Antifreeze	78.9	84.2	28
Stuffed Animals	76.9	76.9	33
Craft Items	76.9	NA	NA
Oil Filters	58.3	NA	NA
Paint	63.6	72.7	32
Tires	37.5	37.5	154

* Shoppers who shopped at the store at least twice a month
** Total ticket could include other goods in addition to the sale item
NA — Not available

Source: Leo J. Shapiro & Assoc., Discount Store News, November 1986

Nationwide DSN Report

Discounters are not drawing new customers into their stores by promoting hard lines in general. When frequent shoppers are aware that a hard line item is on sale, however, they tend to make additional purchases.

The *DSN* Traffic Builders study also found that the hard lines category isn't heavily promoted, compared to apparel and home products, although discounters are advertising hard lines more than other retailers.

The hard lines category isn't heavily promoted, compared to apparel and home products, although discounters are advertising hard lines more than other retailers.

The category that includes mirrors and closet organizers ranked seventh among all items consumers knew were on sale at a discount store, preceded by toys and games and followed by home care items such as leaf bags, light bulbs and tool boxes *(see table 17)*.

When batteries and brake fluid were mentioned as being on sale, more than 85% of those responses were from discount shoppers; 100% of mentions about antifreeze promotions came from those consumers going into a discount store.

Hard Lines Rarely Promoted

Home care is the second most frequently mentioned product being promoted by mass merchants and ranked third among products mentioned on sale at other stores such as specialty outlets. For the most part, hard lines were not mentioned as items shoppers knew were being promoted by nondiscount operations.

(Continued on page 53)

MARKETWATCH

LANHAM, Md. — While the number of auto parts stores in the U.S. rose more slowly over the last three years than during the previous three-year period, the growth rate among discount stores handling automotive products climbed to 10%, the highest of 14 categories of retail outlets surveyed by the **Automotive Parts & Accessories Association's** research arm. According to preliminary data released by the Foundation for Aftermarket Industry Research (FAIR), automotive products were added by 700 discount stores between 1983 and 1986. Auto parts outlets recorded a 7.6% growth rate to nearly 41,000 stores in 1986. The rate of growth for auto parts stores from 1980 to 1983 was 33%. The preliminary data seems to indicate that more mass marketers are adding automotive parts to their inventory. The number of grocery outlets selling automotive products rose by 6,300, or 7.4%, in three years. In addition, automotives were added by 600 drug stores and 800 hardware stores since 1983. Specialty repair shops—those specializing in tune-ups, oil changes and the like—gained 900 new outlets, while new car dealerships dropped 900. The study also counted 16,100 fewer service stations in 1986 than in 1983, for an 11% decline.

* * *

CHARLESTON, S. C. — **Toys 'R' Us,** the specialty toy chain, has opened a 43,200-sq.-ft. unit in the new NorthRivers Market in North Charleston. The 320,000-sq.-ft. retail center, which is scheduled for completion this summer, also will house such major tenants as Ross, Marshalls, Phar-Mor Drugs, Hechinger (home improvement center), and a variety of specialty, food and service shops.

* * *

WOODLAND HILLS, Calif. — **The All American SportsClub,** a chain of warehouse-style sporting goods stores, has signed an 18-year lease for its fifth location here near Sacramento. The new, 62,969-sq.-ft. SportsClub is located in a former Best Products catalog showroom at 21500 Victory Blvd. SportsClub, founded by Robert McNulty, the former chairman of HomeClub, the warehouse home center operation bought by Zayre last year, operates four stores in the Los Angeles area and one in Greater Sacramento.

As well as the new unit in Northern California, additional store expansion is planned around Los Angeles.

* * *

NORTH PALM BEACH, Fla. — The **Sporting Goods Manufacturers Association (SGMA)** has announced new dates for its 1987 New York trade show. The SGMA New York Show will be held Sept. 20 to 22. Originally the show was to start on Sept. 19. The change was made by the SGMA board in order to avoid a conflict with the National Sporting Goods Association's Anaheim show on the West Coast, which runs through the 19th. For further details, write Jeff Price, director of trade shows, SGMA, 200 Castlewood Drive, North Palm Beach, Fla. 33408, or call (305) 842-4100.

HARD LINES — TRAFFIC BUILDERS SURVEY

Hard Lines Promos Produce Extra Purchases by Regular Customers

(Continued from page 51)

Perhaps the one aberration here is stuffed animals, a category that tied for 28th in overall mentions and 23rd in mentions by discount shoppers. The category was listed 14th by department store consumers and 15th by those shopping other retail establishments, such as specialty outlets

Matches Shopping Pattern

With the exception of home care products and automobile tires, the merchandise in the study falling under the heading of hard lines was likely to be purchased by frequent shoppers of the store promoting the item *(see table 18)*. This ranged from the nearly three out of five customers who knew motor oil was on sale having visited a store at least twice in the past month, to more than three-quarters of the knowledgeable shoppers of antifreeze, craft products, stuffed animals and toys turning out to be frequent customers.

Only 37.5% of those shoppers aware of a tire sale were frequent shoppers of the store making the promotion; 40% of those knowing home care products were on sale shopped a unit at least twice a month.

Discounters and other retailers are divided markedly when it comes to shopping frequency of the customers familiar with their respective promotions.

In every hard lines item tracked, far more shoppers aware of a discounter's promotions were regular customers of that store than infrequent visitors. More than 85% of those who knew of an automotives sale had been to the discount store often, while nine out of 10 who knew about stuffed animal promotions were in the discounter's unit at least twice in the past 30 days.

Home Care Rates

The only hard line to receive adequate statistical mentions in terms of shopping frequency for nondiscount stores was home care. But notice the difference: only slightly more than 13% of shoppers who knew of a promotion in this category at either a mass merchant or department store were frequent customers of that store.

The study showed, though, that retailers in general and discounters in particular, may be losing out on bigger ticket sales by not promoting hard lines more often, regardless of whether they bring in frequent or infrequent customers. In the main, these products are good at encouraging add-on business.

Oil Ticket Averages $37

Take motor oil, for instance. Those shoppers who purchased motor oil after they knew it was on sale wound up spending a mean ticket of $37. Antifreeze is even more telling: the mean ticket came to $28. Those who knew home care items were being promoted spent $51.

This formula for success does not extend throughout this product group, however. That those who knew tires were on sale spent a mean of $154 is not that surprising. But a remarkable example is paint, which generated a mean ticket of only $32, or the price of two higher-end gallons, by shoppers knowing it was on sale. The category that included mirrors and closet organizers found promotion-knowledgeable customers spending a mean of $24, while toy purchasers bought $33 worth of total goods.

Automotives, Toys Brands Lead Hard Lines Promos

Nationwide DSN Report

Automotives, toys, some stationery items and small appliances are some of the branded "hard lines" that discounters are promoting to increase customer traffic.

But in selected products in this grouping, discounters are being challenged by mass merchants and other retailers that are promoting as heavily and are getting consumers' attention.

DSN's Traffic Builders study—in which the top 48 brands named by consumers as promotional products accounted for 45% of all brands mentioned—found that Prestone antifreeze, Fisher Price toys and Bic pens ranked 2nd, 3rd, and 4th, respectively, among the brands known by shoppers to be on sale at all stores and at discount units.

Oddly enough, though, while AC Delco auto products ranked 6th overall and 5th in mentions by discount shoppers, Quaker State motor oil—presumably sold in the same area of a store—ranked only 24th as a promotional brand on sale in discount stores. Quaker State was the 7th most mentioned brand overall, and ranked 2nd in mentions by shoppers of mass merchants.

Discounters were doing most of the promoting on the products falling into the "hard lines" group, although there were some noteworthy exceptions. For example, Bic pens were the most-mentioned brand being promoted by "other" dealers that included specialty stores, catalog showrooms and drug combo units. Quaker State oil ranked 9th as a product on sale at these stores.

General Electric light bulbs—ranking 12th overall and 14th among discount shoppers—tied for 9th at "other" retail units. Kodak film, which ranked 28th overall and at discount units, received the 13th highest number of mentions by shoppers of mass merchants.

And the Arvir brand of small electric appliances was the 3rd highest-mentioned brand known to be on sale by mass merchants, even though the brand placed 34th overall as a product name recognized to be on promotion.

HARD LINES — AT THE SOURCE

Talking Puppy

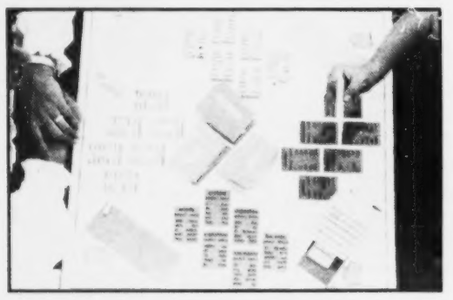
Lakeside, a subsidiary of Coleco Industries Inc., West Hartford, Conn., has introduced Talking Wrinkles, a soft, toy puppy that carries on a conversation. Talking Wrinkles also makes a wide variety of puppy sounds. They toy's behavior is activated through mouth sensors, a sound sensitive microphone and motion sensor. Talking Wrinkles puppies are available in a variety of colors and wear removable, washable play outfits. They require four AA batteries.

Steering Wheels

Superior Industries International Inc., Van Nuys, Calif., has introduced Lazer 300, its new line of custom steering wheels. The Lazer 300 line is available in a 13½-in. diameter wood or sponge vinyl rim with black or silver spokes.

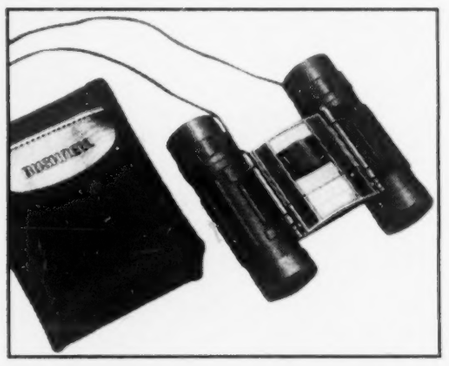
Alcohol-Free Mousse

Vidal Sassoon Inc., New York, has introduced its new line of alcohol-free styling mousses. The three new mousses are Sassoon's Ultimate Hold, Full Body and Moisture Rich. Ultimate Hold is for all hair types; Full Body is designed for fine hair, and it helps to build body; and Moisture Rich is for dry or damaged hair. All three formulas come in an 8-oz. size.



Educated Game

Educated Guess, a recreational and educational word game, is new from Spencer Price Inc., San Antonio. The game requires two or more players and is designed for ages 10 to adult. The game runs in two phases. The first consists of guessing the identity of words after hearing them defined. Round two challenges players to write a story using the words they manage to identify, along with a number of connecting words printed on the board. The game was introduced at the Dallas Toy and Hobby Show last September.



Compact Binoculars

Bushnell, division of Bausch & Lomb, San Dimas, Calif., has introduced its wide angle pocket-size, 10x25 folding roof prism binoculars to its Sportview line. Model 13-2510 is a versatile 9.3 ounce instrument. It features durable black rubber armoring. All air-to-glass surfaces are coated with magnesium fluoride. The wide angle design provides a 341 foot field of view at 1,000 yards. The manufacturer suggests a retail price of $117.95.

Hallmark, Hasbro Get Together on Toy Line

KANSAS CITY, Mo. — In their first joint venture project, **Hallmark Properties** and **Hasbro Inc.**, are introducing at next month's Toy Fair Jammie Pies, a coordinated line of infant & toddler nursery products with a theme of bedtime stories and legends.

Hasbro will be the primary licensee and marketing partner for Jammie Pies, which were developed by Hallmark Properties.

Advertising for the Jammie Pies collection will begin in March on network television and in April in leading consumer magazines.

Retail promotions will take place between June and October, including Jammie Pies sweepstakes and boutiques, advertising and in-store events for expectant mothers.

The Toy Fair will be held in New York, Feb. 9 to 18.

Best Tests Science Optics

SAN DIMAS, Calif. — Bushnell, Division of Bausch & Lomb, has introduced a series of science education products that are being tested at Best Products' catalog showrooms.

The new Spectacu-Learn line includes three microscopes (1200, 900 and 750 power), a 30-150 power refractor telescope, a 7x35mm pair of binoculars and a disc camera.

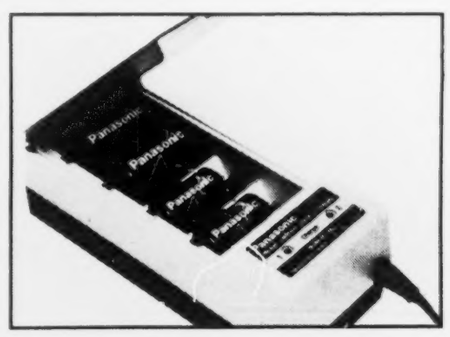
The two microscopes in the new line, 900 power zoom and 1200 power zoom, are being test marketed for six months with Best Products catalog showrooms. The complete product series will be available this quarter.

The Spectacu-Learn line is designed for ages 8 and older and was developed to support science education.

Show Sets Dates

NEW YORK — The eighth annual Private Label Trade Show will be held Nov. 15 to 18 at Chicago's O'Hare Exposition Center.

For information, contact: Charles Trask, Private Label Manufacturers Association, 41 East 42nd St., New York, N.Y. 10017; (212) 972-3131.



Battery System

Panasonic Industrial Company, Secaucus, N.J., has introduced its rechargeable nickel-cadmium battery system. The system features a line of five battery sizes and a recharger that can be used for battery sizes D, C, AA, AAA, and 9-volt. Suggested retail price for the recharger is $12.99.